

Conflict of Interest Management Policy for Pet Underwriting Managing Agency (Pty) Ltd * (the term COI = Conflict of Interest)

Management policy statement;

We, (Pet Underwriting Managing Agency(Pty) Ltd), recognise the importance of operating in an open and transparent manner in all aspects of the operations of the business. We assess each business relationship @ inception and review our relationships on a regular basis. Whilst the legislative requirements may be the foundation for our policy is far more practical in it's application and takes basic business ethics as it's overall primary standard and objective. The Board of directors take this policy as a statement that binds the ethics of the company.

Signed

Managing Director

Date 16-Jul-12

Our COI policy is deemed to apply to all employees, which includes

- i) Directors
- ii) Managers
- iii) Permanent staff

whether they be employed in the financial services sector or not.

FSB Definition of COI is

"any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client, -

- (a) influence the objective performance of his, her or its obligations to that client; or*
- (b) prevent a provider or representative from rendering an unbiased and fair financial services to that client, or from acting in the interests of that client,*

including, but not limited to -

- (i) a financial interest*
- (ii) an ownership interest*
- (iii) any relationship with a third party"*

The following areas have been considered our areas of potential Conflict of Interests.

- i) With insurers with whom there is a business/ownership relationship
- ii) With other FSP's with whom there is a business/ownership relationship
- iii) With Distribution channels with whom there is a business/ownership relationship
- iv) With any other persons with whom there is a business/ownership relationship
- v) With any service providers with whom there is a business/ownership relationship

Any of the above could be deemed Associate companies or 3rd party companies with whom we may have an ownership interest in them or by them. These companies, if applicable, are listed in separate annexure to this policy.

- vi) Our employment contracts and remuneration policies
- vii) With any other relevant relationship that may exist within the company

We considered the following when determining potential COI's

We have documented within this Policy the various relationships and arrangements that we currently have in place, whether or not these create a conflict or potential conflict.

This document details where we currently stand and requires regular maintenance as new or potential COI's arise. Any potential COI will be documented and specific steps taken to mitigate, avoid or manage our Co's position.

The situations that we scrutinised included;

1 What Associate company relationships do we, or our staff, have?

i.e. In simple terms companies with whom there is a relationship based on common shareholding, management control or family(in its widest context) members are involved and subsidiary or holding company status

2 What Third party relationships did we, or our staff, have?

- i Product suppliers (insurers)
- ii Other FSP's
- iii Distribution channels
- iv

Including any of their associates
Including any of their associates

These included;

Any other person who in terms of an agreement or arrangement with any of these provides a financial interest is due to us or one of our representatives, for example;
Attorneys

- v Suppliers outside the insurance environment, for example;
Stationary
IT
Accounting

3 We considered **any** ownership interest within these relationships?

4 Was there any financial interest paid from or to the entities within these relationships?
And would this create a conflict of interest?

5 Was there any immaterial financial interest paid from or to the entities within these relationships?
If so are we monitoring the frequency and extent?

6 What are our staff remuneration policies?

The process allowed us to assess all of our relationships, including those of our staff and including financial aspects, and to document these fully. **No Conflict was identified in terms of our staff arrangements but at Shareholder level our repair agreements need comment.**

In all circumstances we looked to

i. Avoid. Take Away the situation that creates the conflict

OR

ii. Mitigate i.e. Implement measures to reduce its potential impact
AND/OR

iii. Disclosure i.e. Formally provide details of the situations that are there and what has been done.

Our solutions could be any of the above or a combination of all 3 factors.

WHAT WE HAVE DONE - This is an ongoing process.

Where disclosure of conflicts, which includes potential ones, involved clients the standard adopted demands a higher level of formality. It demands formal disclosure "at the earliest reasonable opportunity " which is deemed to be when providing you with the initial advice/quote.

Our disclosures are clear, concise and effective, in our opinion although we constantly strive to ensure we are achieving this lofty ideal.

Our disclosures include;

- 1 What conflicts we have
- 2 What measures we have been taken to avoid or mitigate these
- 3 Ownership interests that may become due to us - this includes shareholding, dividends, profit share and similar payments. This includes ownership of and payments from associated companies that can include administrators, cell captives and insurers
- 4 Financial interests (these are things we actually pay for that are made available by other FSP's or insurers as part of the relationships that exist) that may become due, These include vouchers, benefits, travel, hospitality, accommodation, sponsorships and other incentives.
- 5 Details of the relationships and/or arrangements that exist that create the (potential) conflict.
- 6 How to obtain our Conflict of Interest management policy.

Each employee has signed their acceptance & understanding of This Procol ANY breaches will be raised at Board meetings and resolved as quickly as possible.

- 1 The adherence to and breaches of are a standing item on the board meeting agenda/management meetings.
- 2 This policy is published within the company and contained in the HR Manual for scrutiny. As part of employee reviews this will be addressed and reinforced.
- 3 All staff need to sign this Protocol @ least 1 time per year as well as when joining the Co.
- 4 Our compliance program ensure a constant review of our standards which includes an obligation to report non compliance to the authorities if corrective action is not taken

What were the results of this process and it's ongoing monitoring?

We have summarised OUR results below under the headings;

- 1 Management policy summary of our conflict situations and actions taken
- 2 Associates companies - a listing of all such companies

Conflict of Interest Management Policy - Details of identified associated companies incl. those of our staff

Who is the Associate company?	Do we have a shareholding in them?	Do they have a shareholding in us?	Do we see this as a potential conflict?
Renasa Insurance Co	no	no	no

Conflict of Interest Management Policy - Details of 3rd party companies with ownership relationships. Incl those of our staff

Who is the 3rd party?	Do we receive any financial interest from this 3rd party?	Nature of the financial interest	Do we see this as a potential conflict?	Controls in place?
Medipet	no		no	no mutual directors
Who is the 3rd party?	Do we receive any financial interest from this 3rd party?	Nature of the financial interest	Do we see this as a potential conflict?	Controls in place?
Who is the 3rd party?	Do we receive any financial interest from this 3rd party?	Nature of the financial interest	Do we see this as a potential conflict?	Controls in place?

Conflict of Interest Management Policy - Summary of other identified conflicts and corrective actions taken

Possible other conflicts identified?	Do we see this as a potential conflict?	If Yes what have we done about it?	Controls in place?
Staff receiving gifts, vouchers and the like.	no		
Staff entertained by Associate or Third party companies			
Staff providing gifts, vouchers and the like to clients, third parties or associated			
Staff entertaining Associate or Third party companies			

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IMPORTANT ADDITIONAL INFORMATION FOR ALL OUR CLIENTS

We make every effort to ensure that at all times we act in your best interests and in no way potential or actual, to influence our objective performance and the delivery of unbiased and furtherance of this objective we want to ensure you fully understand the various interests with Financial or Relationships with third parties. There are a number of entities with whom we have a relationship of nature and a summary of these is provided below;

Underwriting Manager/ Administrator

We are appointed by the Product Provider (Insurer) to provide the financial product on their behalf. We are a licenced Financial Services Provider.

Financial Service Providers

Some of the financial service providers that we use to provide the financial product may, depending on the circumstances they have a relationship with and you should be aware of and should be advised of such relationships.

Product Provider/Supplier

This is Your insurer.

Each of the above may well have companies to whom we have a relationship. These could be : or certain natural persons such as spouse, child or relationships exist you need to be made aware of such relationships.

Distribution channel

These are arrangements with any of the above provides support or services to us in our role of distribution of the financial product to you.

Any other person

If there are any other persons that provide us with support or services in the delivery of the financial service.

What represents an Ownership or financial interest?

Ownership Financial

Actual equity that was paid for.

Cash, or its equivalent, vouchers, gift service, or domestic or foreign travel, hospitality, accommodation, or any other form of incentive or valuable consideration.

Any combination of these relationships and/or ownership or financial interests may present a potential conflict of interest such we need to ensure you are aware of these.

We also confirm that no staff are incentivised to give preference to any specific insurer and/or financial service provider based on volumes of business are in place these are supported by an assessment of the quality of the procedures followed.

We further undertake that no financial interest exceeding R1, 000 per calendar year, will be received by any representatives or provided to any representative of the above listed entities.

How do we get paid for what we do:

The actual premium shown on Your quote, renewal or policy schedule will be paid over to Constantia. The fees due to us or Constantia these will be shown separately. As Underwriting Managers of Constantia we are responsible for managing your insurances on their behalf. In addition we do have a vested interest in the success of the business share between ourselves and Constantia.

Do we own more than 10% of any Insurer?

100% of our income is derived from Constantia Insurance Company Ltd

Do we have a relationship with any product provider that provides an Ownership or financial interest?

Do we have a relationship with any other FSP that provides an Ownership or financial interest?

Do we have a relationship with any Distribution channel that provides an Ownership, financial interest or support service?

Do we have a relationship with any other Person that provides an Ownership or financial interest?

Immaterial Financial interest

It is generally accepted practice within our industry that "entertainment" and "gifts and income" are often provided to financial services provider (broker) and vice versa and potentially from and to other financial services provider of or beneficiary of such immaterial financial interest. Such limitations are defined in our conflict of interest management policy

A full copy of our overall conflict of interest management policy can be obtained from;

- i) Our offices upon written request to mark@adminplus.co.za
- ii)

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